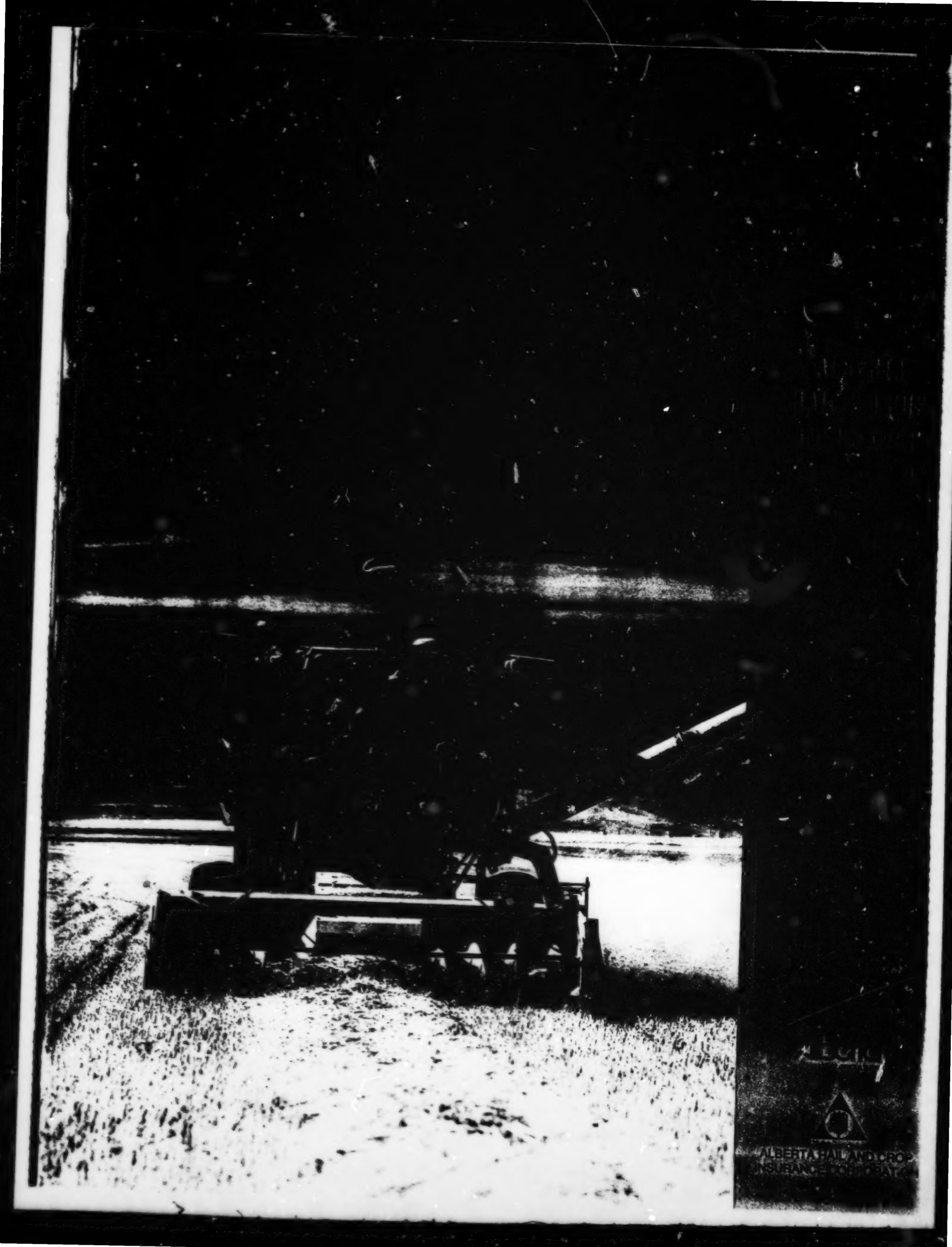
ALBERTA HAIL AND CROP
INSURANCE

91-02452/

CANADA · ALBERTA
Crop Insurance

5718 56TH AVENUE. BAG SERVICE NO. 16. LACOMBE. ALBERTA T0C 1S0 TELEPHONE 782-4661

November 25, 1990

The Honourable Shirley McClellan
Associate Minister of Agriculture
Province of Alberta
126 Legislature Building
EDMONTON, Alberta

Dear Madame:

It is my privilege to submit herewith the Twenty-second Annual Report of the Alberta Hail and Crop Insurance Corporation. Included is a summary of operations, the audited financial statements for the fiscal year ending March 31, 1990, and statistical tables for the hail and crop insurance programs.

I trust you will find this report of interest.

Respectfully submitted,

Jim W. Daines.

James W. Daines
Acting Chairman
Board of Directors

ALBERTA HAIL AND CROP
INSURANCE CORPORATION

James W. Daines – Acting Chairman
Innisfail

Susan Duffield – Director
Cereal

Albert Kooy – Director
Lethbridge

John Krall – Director
Nampa

Harvey Lehr – Director
Fort Assiniboine

Frank Schwengler – Director
St. Paul

Jerry Thacker – Director
Burdett

E.A. Patching – Executive Secretary
Lacombe

PRINCIPAL OFFICERS (As at March 31, 1990)

Glenn M. Gorrell – General Manager
B.S.A.

Ray Block – Director, Finance and Administration
B.Com.; C.G.A.

Dwayne Campbell – Director, Country Operations

Jim Dawson – Director, Forage Operations
B.Sc.; M.Sc.

Louis H. Nelson – Manager, Administration
C.M.A.; C.A.M.

Rod Rains – Director, Planning and Development
B.Sc.

Bob Van Housen – Director, Human Resources

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ORGANIZATION

Alberta Hail and Crop Insurance is a crown corporation of the province of Alberta established by special act, the purpose of which is to provide insurance protection for farm crops. In following out this function insurance is offered under two separate programs: hail insurance and all-risk crop insurance. In addition, it administers the Wildlife Damage Compensation Program for the Fish and Wildlife Division, Department of Forestry, Lands and Wildlife, and provides assistance and adjusting expertise to other special government programs involving crop losses.

Hail insurance and all-risk crop insurance operate as two separate programs, though in the interests of operating efficiency, administration and adjusting are carried out by a common staff. A separate accounting of income and expenses is kept for each, the reason being that hail insurance is entirely self-sustaining, while crop insurance is financially supported by the governments of Alberta and Canada.

The hail program dates back to 1938 when it was established by the Alberta Hail Insurance Board. All-risk crop insurance was started in 1965 by the Alberta Crop Insurance Corporation. Each operated independently until 1969 when the two organizations were merged to become the Alberta Hail and Crop Insurance Corporation, with a common Board of Directors, management and staff.

While the Corporation is directly responsible to the government of Alberta, through the Associate Minister of Agriculture, because crop insurance is a cost-shared program it must conform to the requirements of both federal and provincial legislation.

The Board of Directors of the Corporation presently consists of eight farmer members appointed by the province. The head office is located in Lacombe. District offices serving the needs of farmers at the local levels are strategically located at 54 points in the province. Sales of crop insurance are handled through these offices by the office staff, assisted by fieldmen hired on a per diem basis. Hail insurance is mainly sold through a network of commission agents, though it is also available at the district offices.

For administrative purposes, the province is divided into seven regions with a Regional Supervisor in charge of each. The adjusting for both hail and crop insurance is done by the same trained adjusters, with claims and adjusting being coordinated at the district office level.

ACTIVITIES OF THE BOARD OF DIRECTORS

During the 1989-90 fiscal year the Board of Directors held eleven regular monthly meetings, two special meetings devoted solely to policy matters, and attended the National Crop Insurance Conference held in Niagara Falls. A Western Regional Conference was held in conjunction with the national meeting.

On two occasions, the Directors met as a Board with the Honourable Shirley McClellan, Associate Minister of Agriculture, to whom crop insurance is responsible, and once with Mrs. McClellan and the Honourable Ernie Isley, Minister of Agriculture, to discuss the direction and objectives of crop insurance. In addition, two meetings were held with the Agricultural Caucus.

In addition to the regular administrative responsibilities and the consideration of appeals by policyholders, much of the time of the Directors was taken up with development of changes in crop insurance policies, resulting from the recommendations of the Alberta Crop Insurance Review completed in 1986 and the Canada Crop Insurance Review which took place during the 1989-90 fiscal year.

Major policy changes arising from the Alberta Crop Insurance Review included a study of loss experience for each crop in all areas of the province and a complete revision of risk area

boundaries, and the implementation of an indexing system as a means of adjusting coverage levels for individual farmers to match their normal production capabilities. During the year details of these two major program adjustments were finalized for implementation in the 1990 season.

The review of crop insurance carried out on a national basis in 1989 was in response to concerns put forward by producers, as well as governments, on the need for program enhancements. Submissions were received from interested groups across the nation and a report prepared recommending a number of possible program improvements. These included changes in existing legislation to permit program enhancements such as higher levels of coverage and a more flexible approach to setting average yields on which coverage is based.

As a result of the review the Canada Crop Insurance Act has since been amended to accommodate some of the enhancements recommended in submissions to the review. The amendments also provided a change in funding arrangements between the provinces and Canada which will shift a greater share of the subsidized costs of the program from Canada to the provinces.

Alberta Hail and Crop Insurance Corporation participated in the review by making a submission. Included in this submission was a consolidation of the views expressed by Alberta producer groups. Policy changes resulting from the national review will be made in 1990 and subsequent years.

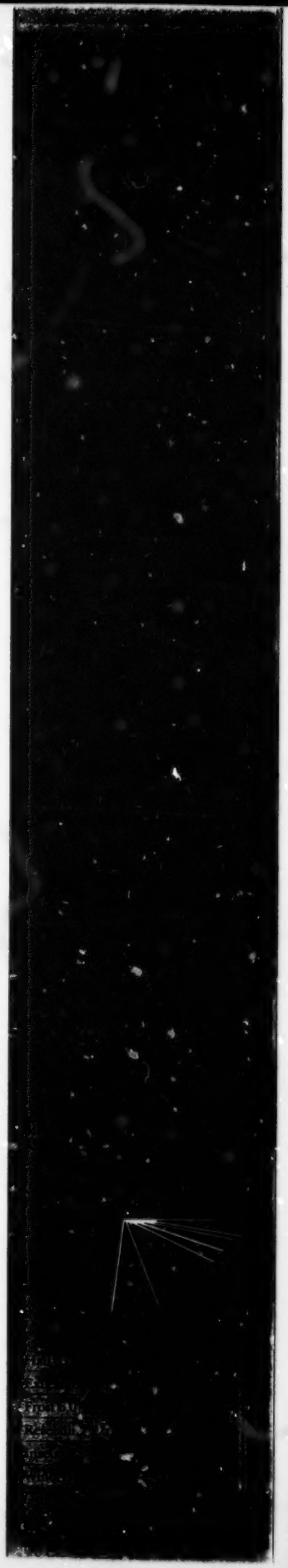
Discussion and consideration of the forage insurance program consumed many hours of the Directors' time. Development of a forage insurance plan to meet the needs of livestock and hay producers has proven to be a very difficult challenge in view of the lack of historical yield data and production capabilities of various areas, differing management practices, the varying needs of producers and the requirement that over the long term the program must be actuarially sound. A prolonged series of drouth years over a broad section of the province has complicated the many problems associated with this type of insurance. Nevertheless, the Directors and staff have worked diligently to develop programs that would serve producer needs and relieve governments from demands for ad hoc assistance.

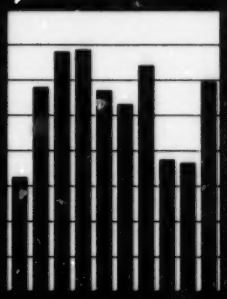
During the year, delegations were received from Unifarm, the pulse growers association, and a group of forage insurance policyholders, as well as a number of policyholders appearing on their own behalf.

The Board of Directors serves as the appeal committee for policyholders who are not satisfied with the settlement of their claims or who have a grievance with respect to Corporation policies or their manner of treatment. Each appeal is considered carefully. In many cases representation is made in person. The Directors are satisfied that to the best of their ability final decisions are fair and impartial.

There were no changes in the make-up of the Board of Directors during the year under review.

The Directors wish to express their sincere appreciation to the management and staff of Alberta Hail and Crop Insurance Corporation for the diligent and efficient manner they performed their tasks throughout the past busy season. They have done excellent work in serving the needs of policyholders and are to be commended for their efforts on which the success of the organization is so dependent.





HAIL INSURANCE

The hail insurance program remains an important sector of the protection offered Alberta farmers by Alberta Hail and Crop Insurance Corporation. This type of insurance serves the needs of farmers who are not eligible for crop insurance or choose not to carry that type of protection. Over the years the Corporation has consistently written in excess of two-thirds of the straight hail insurance carried in the province. While competition for hail business remains strong, the Corporation was able to retain its share again in 1989. Insurance offered by the Corporation is restricted to the province of Alberta.

Insurance was sold through 335 commission agents, as well as being available from the Corporation's District Offices.

Premium rates are established for each individual township based on its long-term loss experience. Each year these rates are reviewed and adjusted, taking into account the previous year's experience. For 1989 premium rates were reduced in 286 townships, increased in 185 townships, and remained unchanged in the balance of townships.

In response to requests from farmers for more coverage because of rising production costs, maximum allowable coverage was increased prior to the start of the 1989 season from $250 to $450 per acre for sugar beets, potatoes, vegetables and fruits, and from $125 to $250 per acre for grains, oilseeds, grasses and legumes.

THE 1989 SEASON

In 1989, 9,581 farmers insured 3,498,668 acres of crop with an insured value of $257,176,341 with the Corporation. This level of insurance was substantially above that of the previous year, due mainly to the generally better crop conditions prevailing in most regions and improved market prices for grain crops.

Hail damage to grain crops during the 1989 season was particularly heavy, with the total payout of $16,177,050 being the second highest on record, exceeded only by that of 1982. The loss-to-premium ratio of 97.35% compared with the long-time average of 72.15%. While this loss-to-premium ratio had been exceeded in nine of the previous 51 years of experience, the near record level of payout was accounted for by a higher overall dollar coverage than in earlier years.

Hail damage was recorded 52 days during the 1989 season, only one day more than the long-time average, but damage caused by many of the storms was exceptionally heavy. See summary of storms at left.

PREMIUM REFUNDS AND RESERVES

It has been the policy of the Corporation to pay a premium refund on hail insurance policies in years of surplus, the amount of the refund being dependent upon the year's experience. In the 1989-90 season, indemnities plus administrative expenses actually exceeded premiums and interest on the accumulated reserve. Nevertheless, because of the substantial size of reserve built up in years of more favourable loss experience, the Board of Directors was able to authorize a refund of 10% of gross premium to policyholders who did not claim for crop loss and 5% of gross premium to those with claims on which indemnities were paid. This reduced the reserves in the hail account by $560,961 from $27,530,614 at the beginning of the year to $26,969,653 at the end of the season. The Directors are satisfied the financial position of the hail program remains strong.

REINSURANCE

Because of the high level of coverage carried by the hail insurance program the Directors have, for many years, considered it prudent to reinsure a portion of that risk. This past year was no exception. Reinsurance provides a

means whereby the Corporation is able to protect against heavy demands on the reserves and to maintain the stability of the hail program should it encounter a series of heavy loss years.

At the beginning of the 1989-90 season, the Corporation's reinsurance treaty with Sterling Universal Reinsurers was renegotiated for a two-year period. The reinsurance will pay up to an established level, 90% of losses in excess of 110% of premium. Since the loss-to-premium rate was less than 110% in 1989, no monies were drawn from reinsurance.

Cost of this protection was $197,269 or 1.275% of premium.

CANADA-ALBERTA CROP INSURANCE

Canada-Alberta Crop Insurance provides farmers with the means of insuring their major crops against serious loss caused by any of the natural perils. It is intended to reduce the risks of farming, enabling farmers to plan ahead knowing that regardless of the weather they are assured of a guaranteed return. The program was initiated in 1965 on a small scale and has developed over the years to the extent that approximately two-thirds of the total grains and oilseeds acreage seeded in Alberta are covered by insurance.

In 1989, price options were adjusted upward for the cereal and oilseed crops in response to market conditions. Again, for the major crops only one price option was available. Coverage levels offered remained at 60% and 70% of average yields for the major crops. For a number of special crops an 80% coverage level was made available.

As a measure to provide more accurate premiums and coverage levels, policyholders were again encouraged to move into the Individual Coverage program where coverages are based on the individual's proven track record, rather than on area-average yields which may not reflect that policyholder's production capabilities.

Coverage was provided for the major grain and oilseed crops as well as a wide range of specialty crops. Hay and pasture are also insurable. In all, insurance was provided on 30 different crops.

Crop insurance is a joint program of the federal and provincial governments, which share the costs with participating farmers. In 1989-90 the federal government paid one-half of the premium costs, while the government of Alberta paid total administrative expenses as well as picking up a portion of the farmers' share of premium in the higher risk areas. In the 1989-90 fiscal year, contributions were as follows: government of Alberta – $10,399,922 in administrative expenses and $7,350,982 in high risk subsidies; government of Canada – $88,813,656; and policyholders – $83,490,818.

CHANGES IN THE CROP INSURANCE PROGRAM FOR 1989

Several changes of significance to policyholders were made in the crop insurance program for 1989. These changes included:

(1) Floating Price Option

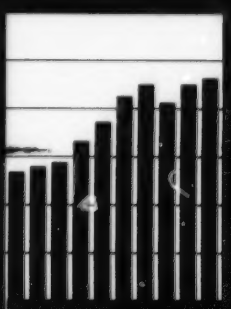
A floating option was offered to provide increased dollar coverage should market prices for cereals and oilseeds make major advances between the time the Corporation set its price options and the end of June. A 20% advance in the market price of any grain was required to trigger the option. Since a movement of this amount did not take place, the option did not become effective in the year under review.

(2) Price Options

Major upward revisions were made in price options for most crops in keeping with improved market prices over the previous year. This resulted in proportionately higher coverage and premiums. Price options for 1989 are shown on page 11 of this report.

(3) Coverage Adjustment Schedule

Because widespread drouth had caused serious crop losses in 1988, measures were taken to lessen the



impact of the previous year's claims. A one-year hold was placed on the downward movement in the coverage adjustment schedule for those on the general crop insurance program. Similarly, those policyholders under the Individual Coverage plan who had claims were protected against reductions in coverage that would ordinarily have taken place.

1989 CROP CONDITIONS

While grain production in Alberta in 1989 was well above the ten-year average, extreme drouth, poor harvest weather and extensive hail damage drastically reduced yields in many areas.

The season started with surface soil moisture in reasonable supply, but because there was very little subsoil moisture over a wide area of the province the crop was largely dependent upon rainfall occurring during the growing period. Fortunately, moisture was received during June and into July, but it was mainly in the form of showers and so there was a wide variability in crop yields. East central regions remained dry through the spring and summer, and crops and pastures there were generally poor. Over most of the remainder of the province yields were average or better.

Hail damage was exceptionally heavy in 1989, with many severe storms being experienced throughout the season.

Winter wheat and fall rye sustained severe winter kill. It was estimated less than 50% of the winter wheat and 75% of the fall rye planted in the previous autumn was harvested in 1989.

Harvest commenced in good time, but rains starting near the end of August brought it to a standstill for close to a month in most areas. Resuming again by the end of September, harvest was pretty well completed in most regions by the middle of October. The exception was in the Peace River and parts of northwestern Alberta, where some districts received excessive rain and land remained wet right up until freeze-up. A substantial acreage remained unharvested over winter. Harvesting was not completed in these areas until the spring of 1990. Some of the snowed-under wheat crops yielded surprisingly well in the spring, but losses were very heavy in barley and canola, and it was necessary to abandon a large percentage of these fields.

Average per acre yields for the major crops, as estimated by the Alberta Wheat Pool on October 16, 1989 were as follows: Red Spring Wheat - 812 kgs (29.8 bus.); Soft White Spring Wheat - 1787 kgs (65.7 bus.); Winter Wheat - 716 kgs (26.3 bus.); Durum Wheat - 802 kgs (29.5 bus.); Oats - 1028 kgs (66.7 bus.); Barley - 1129 kgs (51.9 bus.); Flax - 527 kgs (20.7 bus.); Fall Rye - 694 kgs (27.3 bus.); Canola - 471 kgs (20.8 bus.).

Overall quality of grain in 1989 was below average, largely the result of the prolonged wet spell during harvest.

THE 1989 CROP INSURANCE SEASON

Drouth over a broad band running along the eastern side of the province, much heavier than normal damage from hail, and an unfavourable harvest season with continuing excess moisture in some areas resulted in 1989 being a very heavy claim year for crop insurance. This, despite the fact the province's overall grain production was average or better. Particularly troublesome was the excess fall moisture in northwestern regions and Peace River areas which resulted in over 600 policyholders reporting some 70,000 insured acres snowed-under when winter set in. Not only were crop losses heavy on this acreage, but the adverse affects were carried over to the 1990 crop due to difficulty in getting on the land and getting the crop off in time to seed the new crop.

There was an unusually heavy adjusting workload commencing with reseeding in the spring, continuing through the summer and fall and into the spring of 1990, when claims on snowed-under crops were finally adjusted. In all, nearly

45,000 farm inspections were made for the 1989 crop season. Over 11,700 payments were made under the basic crop insurance program, another 6,200 under the hail endorsement, as well as payments for reseeding, unseeded acreage, and snowed-under advances.

Indemnities, excluding the $23,449,515 paid under the forage program, totalled $165,484,832 compared to $144,229,446 paid out the previous year.

HAIL ENDORSEMENT

The hail endorsement remained a popular feature of the crop insurance program, with over 89% of those insured under the basic program electing this option.

Heavier than normal hail damage occurred during the 1989 season, resulting in a payout of $57,568,688 compared to premium income of $49,500,242 for a loss-to-premium ratio of 111.7%. This compares with a loss ratio of 49.6% in the previous year and an average loss ratio of 72.6% since the introduction of the hail endorsement in 1973.

Policyholders electing the hail endorsement receive spot-loss coverage against hail damage to the level of their per acre coverage under the basic crop insurance program. For this protection they pay an additional premium of 40% of the Corporation's normal hail rate.

HIGH-RISK SUBSIDY

The high-risk premium subsidy remained in place in 1989. Under this initiative the province pays a portion of farmers' premiums in those areas with a higher than normal risk of crop loss. The subsidy covers all of the farmers' share of premium in excess of a rate of 6% for crops insured at the 60% coverage level and 8% for those insured at the 70% level. Its purpose is to make the insurance affordable in areas where the need for protection is the greatest.

The subsidy applies to the basic crop insurance premium for cereal and oilseed crops, but not to other crops nor to the hail endorsement.

In 1989 farmer premiums were reduced by $7,350,982 by this subsidy. Since it was introduced in 1975 the subsidy has reduced farmers' premium costs by $44,409,843.

MULTI-YEAR DISASTER BENEFIT

This benefit was added to the crop insurance program in 1986 as a means of giving additional coverage to producers in areas which experience major losses in two or more successive years. The additional coverage is equal to 10% of average yields, so those farmers in eligible areas choosing the 60% coverage option actually get 70% coverage, and those choosing the 70% option get coverage at the 80% level. To qualify, an area of a county or larger must have had a loss equal to 20% of risk in consecutive years. The additional coverage will then apply in the second year. A small levy is added to premiums to cover the cost of this benefit.

In 1989, because of this add-on benefit, an additional $10,577,353 was paid in claims in the following eligible areas: Special Areas 2, 3 and 4, the Municipal Districts of Cypress and Provost, and the County of Paintearth. Since 1986 it has added $34,354,444 to indemnities paid to policyholders.

HONEY INSURANCE PLAN

1989 was not a good year for honey production throughout the province. Drouth conditions in June and July, and a damp cool August, contributed to less than average yields. Over 50% of the producers insured had a claim because of a shortage in production.

As a result of the Canada-United States border remaining closed to packaged bees, a number of producers who relied on packaged bees from the U.S. were unable to remain viable and ceased operations. As a result, participation in the honey insurance program showed a further decline.

Experience of the program in 1989 and since its introduction in 1982 is as follows:

	1989	1982-89 Inclusive
Insureds	65	—
Hives Insured	50,076	—
Risk	$1,719,004	$22,177,354
Premium	$ 254,545	$ 3,009,040
Losses	$ 376,458	$ 4,721,023
Loss/Premium Ratio - %	147.89	156.89

FORAGE INSURANCE PROGRAM

This insurance plan for livestock producers was initiated in 1979 as the Hay and Pasture Insurance Program, following several years in which drouth had caused critical shortages of livestock feed in Alberta. In 1986 it was renamed the Livestock Feed Security Program, and in 1988 the name was changed to the Forage Insurance Program.

The program is intended to provide livestock producers and farmers producing hay with the opportunity of insuring against a shortage of forage resulting from drouth. Under the plan farmers may either insure the feed supply for their livestock or the production of their hay crops. In 1989 those electing to insure their livestock feed supply were able to obtain coverage of $60 to $150 per animal unit, while those insuring their hay received coverage of $10 to $70 per acre, depending on their location.

For the determination of indemnities, forage production was calculated as a percentage of normal by quarter-township using a computer model. This calculation mainly took into account available moisture, but also other weather factors such as temperature and hours of sunshine. Calculations were then adjusted after comparing results with actual hay measurements. For 1989 a payment was triggered in those areas where it was calculated production fell below 70% of normal. The level of payment was 2% of coverage for each percentage shortfall below the 70% base; production below 20% of normal was considered as a 100% write-off. Since the program is area-based, all policyholders within a quarter-township were paid at the same rate.

In 1989 precipitation was variable and generally well below average. Poorer than normal growing conditions prevailed in almost all of the province, except in regions north of Cochrane and Drumheller, and west of Coronation. Heaviest losses occurred in the south central part of the province.

Of 11,399 policyholders, 6,625 qualified for payments which in total amounted to $23,444,084 or 18.7% of total coverage. The loss-to-premium ratio was 98.5%. Recognizing the need for better acceptance of the forage insurance program and the unfavourable loss experience to date, a number of changes were implemented in 1989. These included:

(1) Placing increased emphasis on yield measurements of pasture and hay;
(2) Adjustments to the premium payout schedules to assure actuarial soundness;
and
(3) Increased emphasis on education and public relations to promote better acceptance.

Summary of Experience for the Forage Insurance Program:

	1989	1988	Cumulative*
Policyholders	11,399	7,645	—
Acres Insured	207,520	304,380	—
Animal Units Insured	1,046,372	689,591	—
Actual Risk	$124,901,940	$105,639,029	$436,803,594
Total Premiums	$ 23,785,685	$ 17,343,653	$ 72,437,531
Number of Insureds Paid	6,625	6,536	—
Losses Paid	$ 23,444,084	$ 44,059,235	$130,342,445
Loss/Risk Ratio — %	18.77	41.68	29.80
Loss/Premium Ratio — %	98.56	254.04	179.93

* Fiscal years 1979-80 to 1989-90, inclusive

Grain Crops

	Non-pedigreed	Pedigreed
	per tonne	per tonne
Spring Wheat	$160	$192
Durum Wheat	$180	$216
Utility Wheat	$135	$162
Winter Wheat	$115	$138
Soft Spring Wheat	$145	$174
Oats	$100	$120
Barley	$ 95	$114
Mixed Grain	$ 95	N/A
Fall Rye	$100	$120
Spring Rye	$115	$138
Canola	$265	$345
Mustard	$290	$377
Flax	$280	$364

Sunflowers

	Only One Option
	per tonne
Confectionery	$315.00
Oilseed	$235.00

Safflower

Option #1	Option #2
per tonne	per tonne
$220.00	$286.00

Special Crops

	Option #1	Option #2
	per tonne	per tonne
Grain Corn	$105	$148
Seed Peas	$200	$230
Dry Beans	$390	$525
Potatoes	$ 88	$110
Field Peas	$110	$165
Fababeans	$120	$165
Lentils	$240	$330
	per kilogram	per kilogram
Pedigreed Seed Alfalfa	$1.54	$2.20
Pedigreed Seed Fescue	$0.81	$1.10

Vegetable Crops for Processing

	Option #1	Option #2	Option #3
	per acre	per acre	per acre
Peas	$349.14	$374.08	$399.02
Beans	$318.42	$341.16	$363.91
Corn	$304.43	$326.18	$347.92
Carrots	$509.85	$552.33	$594.82

Fresh Vegetable Crops

	Option #1	Option #2
	per tonne	per tonne
Sweet Corn	$140.00	$180.00
Cabbage	$190.00	$250.00
Rutabagas	$ 90.00	$120.00
Carrots	$ 70.00	$ 90.00
Onions	$130.00	$170.00

Sugar Beets

Option #1	Option #2
per tonne	per tonne
$23.00	$35.00

Alfalfa for Processing

Option #1	Option #2
per tonne	per tonne
$24.00	$30.00

Honey

Only One Option
per pound
$.41

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TO THE BOARD OF DIRECTORS OF THE
ALBERTA HAIL AND CROP INSURANCE CORPORATION

I have examined the balance sheet of the Alberta Hail and Crop Insurance Corporation as at March 31, 1990 and the statements of revenue, expenditure and contributions - crop insurance and revenue, expenditure and reserve - hail insurance for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at March 31, 1990 and the results of its operations and the changes in its financial position for the year then ended in accordance with the disclosed basis of accounting, as described in Note 2 to the financial statements, applied on a basis consistent with that of the preceding year.

Donald D. Salmon

FCA
Auditor General

Edmonton, Alberta
July 12, 1990

	1990	1989
ASSETS		
General		
Current:		
Cash	$ 3,581,341	$ 761,820
Short-term investments (Note 4)	8,171,039	24,750,000
Accounts receivable	3,269,875	1,919,635
Accrued interest receivable	176,501	678,534
Due from Crop Reinsurance Fund of Alberta	38,765,291	29,796,391
Due from Government of Canada	88,813,656	6,834,600
Due from Crop Reinsurance Fund of Canada for Alberta	—	31,324,566
Due from trust, Schedule 3	131,173	198,993
	142,908,876	96,264,539
Long-term investments (Note 4)	5,162,574	5,870,653
Fixed assets	1,604,819	1,221,652
	149,676,269	103,356,844
Trust, Schedule 3	2,821,347	406,160
	$152,497,616	$103,763,004

The accompanying notes are part of these financial statements.

	1990	1989
LIABILITIES		
General		
Current:		
Accounts payable	$ 150,655	$ 318,369
Salaries and commissions payable	410,212	273,599
Estimated indemnities payable	2,282,505	650,000
Premium rebates payable	1,352,910	3,857,150
Due to Crop Reinsurance Fund of Canada for Alberta	1,139,320	—
Due to Western Grain Stabilization Fund	796,761	—
Due to Province of Alberta	114,969,434	69,505,460
	121,101,797	74,604,578
Equity in fixed assets	1,604,819	1,221,652
Hail insurance reserve	26,969,653	27,530,614
	149,676,269	103,356,844
Trust, Schedule 3	2,821,347	406,160
	$152,497,616	$103,763,004

	1990	1989
REVENUE		
Premiums charged to insured persons	$ 83,490,818	$61,819,114
Province of Alberta premium contributions (Note 6)	7,350,982	5,528,741
	90,841,800	67,347,855
Government of Canada contributions (Note 3(i))	88,813,656	66,696,615
	179,655,456	134,044,470
Less amounts ceded (Note 3(ii)):		
Crop Reinsurance Fund of Canada for Alberta	26,644,097	20,008,984
Crop Reinsurance Fund of Alberta	26,644,097	20,008,984
	53,288,194	40,017,968
	126,367,262	94,026,502
Investment income	1,449,309	3,115,378
	127,816,571	97,141,880
EXPENDITURE		
Indemnities	188,934,345	161,573,099
Administration expenses, Schedule 1	10,399,922	8,852,986
	199,334,267	170,426,085
Excess of expenditure over revenue for the year	$ 71,517,696	73,284,205
CONTRIBUTIONS		
Reinsurance funds (Note 3(iii))	$ 61,117,774	$ 64,431,219
Administration expenses recovered from the Province of Alberta (Note 7)	10,399,922	8,852,986
	$ 71,517,696	$ 73,284,205

	1990	1989
REVENUE		
Premiums charged	**$16,617,863**	$14,556,504
Deduct:		
Reinsurance costs	**197,269**	323,674
Cash discounts allowed	**318,453**	314,639
Premium rebates	**1,359,024**	3,863,525
	1,874,746	4,501,838
Premiums, net	**14,743,117**	10,054,866
Investment income	**3,048,473**	2,584,010
	17,791,590	12,638,876
EXPENDITURE		
Indemnities	**16,177,050**	7,131,316
Administration expenses, Schedule 2	**2,175,501**	1,707,056
	18,352,551	8,838,372
Surplus (deficit) for the year	**(560,961)**	3,800,504
Reserve at beginning of year	**27,530,614**	23,730,110
Reserve at end of year	**$26,969,653**	$27,530,614

Note 1– Authority

The Alberta Hail and Crop Insurance Corporation operates under the authority of the Hail and Crop Insurance Act, Chapter H-1, Revised Statutes of Alberta 1980, as amended.

Note 2 – Significant Accounting Policies and Reporting Practices

(i) These financial statements have been prepared in accordance with generally accepted accounting principles except that no depreciation has been provided on fixed assets as purchases are charged to operations in the year of acquisition. Fixed assets are shown on the balance sheet at cost with a corresponding credit shown as equity in fixed assets.

(ii) Other significant accounting policies are as follows:

(a) Crop Insurance

Contributions by the Government of Canada matching crop insurance premiums collected are included as income of the year the premiums are received. Amounts ceded to the Crop Reinsurance Fund of Canada for Alberta and the Crop Reinsurance Fund of Alberta are deducted from revenue of the year the requirement to cede arose. Amounts recovered from the above Reinsurance Funds are deducted from expenditure in the year the entitlement to recover arose.

(b) Trust

The Corporation administers various agriculture-related programs of the Province of Alberta or of the Province of Alberta and the Government of Canada in addition to the Hail Insurance program and the Crop Insurance program. These are regarded as incidental to the main business of the Corporation, are grouped under the heading 'Trust', and are summarized on Schedules 3 and 4.

(c) Changes in Financial Position

A statement of changes in financial position is not provided as disclosure in these financial statements is considered to be adequate.

Note 3 – Crop Insurance Program Agreement

An agreement between the Province of Alberta and the Government of Canada entered into pursuant to section 43 of the Hail and Crop Insurance Act provides:

(i) for contributions to be made by the Government of Canada matching the crop insurance premiums collected from insured persons;

(ii) that payments will be made to the Crop Reinsurance Fund of Alberta and the Crop Reinsurance Fund of Canada for Alberta based on crop insurance premiums collected plus the matching amount received or receivable from the Government of Canada; and

(iii) that crop indemnities in excess of crop insurance reserves will be drawn from the Crop Reinsurance Fund of Alberta and the Crop Reinsurance Fund of Canada for Alberta, in accordance with a formula set out in the agreement for dividing any such excess between the Province of Alberta and the Government of Canada.

Note 4 – Investments

Investments are recorded at amortized cost and are summarized as follows:

	1990		1989	
	Short-term	**Long-term**	Short-term	Long-term
Bonds and debentures:				
Government of Canada direct and guaranteed	**$1,995,907**	**$1,913,501**	$ –	$1,349,340
Provincial, direct and guaranteed	**175,132**	**3,249,073**	50,000	3,441,640
Corporate	**–**	**–**	–	1,079,673
Guaranteed investment certificates and term deposits	**6,000,000**	**–**	24,700,000	–
	$8,171,039	**$5,162,574**	$24,750,000	$5,870,653
Approximate market value at March 31	**$8,171,039**	**$4,999,510**	$24,750,000	$5,650,149

Note 5 – Reinsurance Funds

The balances in these funds, as at March 31, were as follows:

	Crop Reinsurance Fund of Alberta		Crop Reinsurance Fund of Canada for Alberta	
	1990	1989	**1990**	1989
Opening surplus (deficit)	**$(29,796,391)**	$(18,749,101)	**$(23,515,918)**	$(10,149,957)
Current year contributions	**26,644,097**	20,008,984	**26,644,097**	20,008,984
	(3,152,294)	1,259,883	**3,128,179**	9,859,027
Recoveries by the Corporation	**(35,612,997)**	(31,056,274)	**(25,504,777)**	(33,374,945)
Closing surplus (deficit)	**$(38,765,291)**	$(29,796,391)	**$(22,376,598)**	$(23,515,918)

Note 6– Province of Alberta Premium Contributions

In accordance with Crop Insurance Regulations proclaimed pursuant to the Hail and Crop Insurance Act, the Province of Alberta pays the insured person's portion of premium costs in excess of a stipulated percentage of the dollar coverage on grain and oilseed crops.

Note 7– Administration Expenses

All administration expenses relating to the crop insurance program have been paid by the Province of Alberta. Certain of these costs were common to the crop insurance and hail insurance programs and have been allocated to each on the basis of the number of insurance contracts processed in the year. Certain office accommodations have been provided by the Province of Alberta at no charge.

Note 8 – Approval of Financial Statements

These financial statements have been approved by management.

Schedule 1

	1990	1989
Salaries and employee benefits	$ 4,377,027	$3,502,286
Adjusters' wages and expenses	3,368,036	3,106,886
Advertising	368,169	272,852
Acquisition of fixed assets	343,238	493,787
Data processing	334,708	235,057
Printing, stationery and office supplies	294,268	217,947
Office rental costs	224,597	131,133
Collection commissions and expenses	207,727	177,849
Fieldmen's wages and expenses	194,307	175,163
Postage and freight	173,348	166,383
Travel and automobile expenses	131,289	106,535
Directors' fees and expenses	121,788	93,757
Legal and consulting	94,209	46,026
Grain grading costs	58,027	34,427
Telephone	55,505	50,544
Research	29,072	17,978
Miscellaneous	24,607	24,376
	$10,399,922	$8,852,986

Schedule 2

	1990	1989
Agents' commissions	$1,183,753	$ 966,677
Salaries and employee benefits	410,936	352,876
Adjusters' wages and expenses	223,914	111,533
Advertising	93,536	91,410
Data processing	55,993	42,467
Acquisition of fixed assets	44,283	23,286
Printing, stationery and office supplies	40,008	28,172
Postage and freight	26,696	24,915
Collection commissions and expenses	23,656	22,037
Directors' fees and expenses	23,198	17,856
Travel and automobile expenses	16,664	14,787
Legal and consulting	13,830	1,619
Telephone	3,075	3,293
Miscellaneous	15,959	6,128
	$2,175,501	$1,707,056

Schedule 3

ASSETS

	Wildlife Support Program	Alberta Crop Insurance Coverage Restoration Program	Greenfeed Program	Total 1990	Total 1989
Cash	$64,508	$ –	$ –	$ 64,508	$394,467
Claim overpayments recoverable	–	3,707	–	3,707	3,707
Accrued interest	206	–	–	206	7,986
Due from Province of Alberta	2,752,926	–	–	2,752,926	–
	$2,817,640	$ 3,707	$ –	$2,821,347	$406,160

LIABILITIES

Accounts payable	$ 1,124	$ –	$ –	$ 1,124	$ 1,100
Estimated claims payable	2,652,982	–	–	2,652,982	39,996
Due to (from) general	163,534	(21,479)	(10,882)	131,173	198,993
Due to Province of Alberta	–	–	–	–	249,658
Unexpended funds (deficit)	–	25,186	10,882	36,068	(83,587)
	$2,817,640	$ 3,707	$ –	$2,821,347	$406,160

Schedule 4

REVENUE

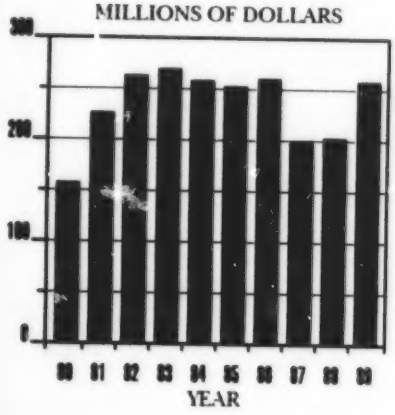
	Wildlife Support Program	Alberta Crop Insurance Coverage Restoration Program	Greenfeed Program	Canada-Alberta Drought Assistance Programs	Total 1990	Total 1989
Contributions from the Province of Alberta	$2,750,442	$ –	$300,000	$108,773	$3,159,215	$1,497,166
Interest Income	30,114	–	–	–	30,114	96,655
	$2,780,556	–	300,000	108,773	3,189,329	1,593,821

EXPENDITURE

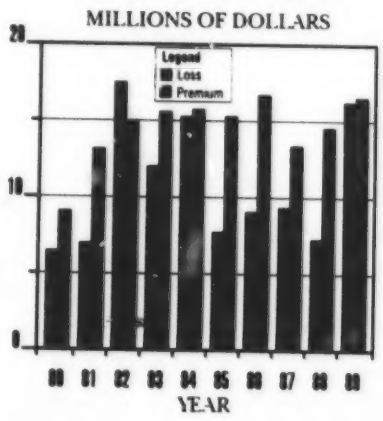
Claims, net of recoveries	2,616,869	–	275,388	–	2,892,257	1,127,234
Administration expenses	163,687	–	13,730	–	177,417	473,610
	2,780,556	–	289,118	–	3,069,674	1,600,844
Excess (deficiency) of revenue over expenditure	–	–	10,882	108,773	119,655	(7,023)
Unexpended funds (deficit) at beginning of year	–	25,186	–	(108,773)	(83,587)	2,459,582
	–	25,186	10,882	–	36,068	2,452,559
Funds returned to Province of Alberta	–	–	–	–	–	(2,536,146)
Unexpended funds (deficit) at end of year	$ –	$25,186	$ 10,882	$ –	$ 36,068	$ (83,587)

	1989	1988	1987	52-Year Average
Number of Policies	9,581	8,604	8,375	—
Acres Insured	3,498,668	2,894,976	2,923,530	2,523,253
Risk	$257.176,341	$201,009,609	$194,895,793	$ 71,845,081
Net Premium	$ 16,617,863	$ 14,556,504	$ 13,124,515	$ 4,593,651
No. of Days with Hail	50	30	44	51
No. of Claims Paid	5 934	1,095	1,729	2,338
Indemnities	$ 16,177,050	$ 7,131,316	$ 8,677,275	$ 3,314,338
Loss/Risk Ratio	6.28%	3.55%	4.55%	4.61%
Loss/Premium Ratio	97.35%	48.99%	66.11%	72.15%

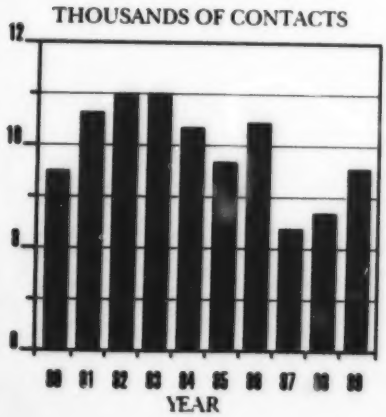
Risk by Year

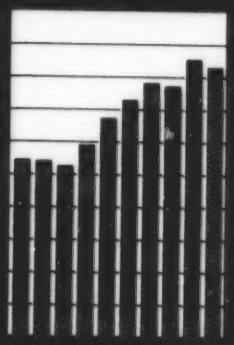


Premium and Loss by Year



Number of Contracts by Year





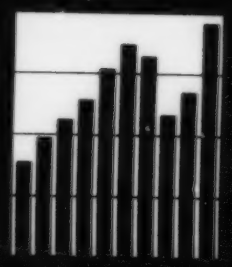
1989 Participation and Experience for Grain, Oilseed, Pedigreed and Special Crops

Risk Area	No. of Policies	No. of Acres	Basic Risk	Basic Crop Premium	Basic Crop Loss	Basic Crop L/P Ratio (%)	No. with Hail End.
1	1,430	1,024,839	$ 67,683,506	$11,892,219	$ 4,601,705	38.7	1,344
2	1,676	886,960	73,718,423	8,623,282	8,187,387	95.0	1,458
3	2,283	937,066	104,268,522	10,346,109	10,441,485	100.9	2,028
4	1,627	866,669	66,202,207	7,077,374	14,971,202	211.5	1,554
5	3,021	1,569,266	143,660,180	11,267,810	5,596,392	49.7	2,804
6	2,258	798,157	77,385,252	5,777,907	2,781,200	48.1	2,176
7	1,108	281,121	24,984,823	1,869,476	1,599,382	85.6	1,082
8	4,903	2,151,210	185,039,908	15,406,653	12,642,949	82.1	4,724
9	754	205,624	15,497,389	1,887,774	1,469,853	77.9	657
10	1,281	332,367	28,426,850	2,370,579	2,640,227	111.4	1,223
11	3,549	1,389,765	98,995,359	19,400,774	10,361,995	53.4	2,494
12	1,859	995,443	65,113,604	9,214,349	31,512,314	342.0	1,618
13	114	24,932	1,761,059	159,004	308,323	193.9	109
14	73	14,893	907,562	119,119	75,723	63.6	65
TOTALS	25,936	11,478,312	$953,644,644	$105,412,429	$107,190,137	101.7	23,336

Cumulative Experience for Grain, Oilseed, Pedigreed and Special Crops

Risk Area	Basic Risk	Basic Crop Premium	Basic Crop Loss	Basic Crop L./P Ratio (%)
1	$ 680,318,500	$ 66,699,104	$131,924,247	197.8
2	688,651,539	60,148,933	86,953,324	144.6
3	827,393,336	80,570,292	96,018,734	119.2
4	610,264,190	52,683,120	73,355,253	139.2
5	1,527,746,590	97,610,372	122,529,930	125.5
6	745,142,356	46,927,080	48,284,584	102.9
7	202,725,421	17,032,888	14,211,668	83.4
8	1,400,105,013	113,338,396	109,655,312	96.8
9	124,886,931	18,205,808	13,278,401	72.9
10	226,514,317	24,468,693	17,687,505	72.3
11	832,628,199	151,279,091	137,759,142	91.1
12	596,025,001	68,560,459	120,798,910	176.2
13	12,528,544	1,950,588	1,320,326	67.7
14	9,706,984	1,690,869	1,334,051	78.9
TOTALS	$8,484,636,921	$801,165,693	$975,111,387	121.7

Hail End. Risk	Hail End. Premium	Hail End. Loss	Hail End. L/P Ratio (%)	Total Premium	Total Loss	Total L/P Ratio (%)
$ 61,210,222	$ 2,880,432	$ 1,469,689	51.0	$ 14,772,651	$ 6,071,394	41.1
58,789,009	2,987,856	2,034,423	68.1	11,611,138	10,221,810	88.0
91,722,850	4,673,252	5,277,835	112.9	15,019,361	15,719,320	104.7
60,278,300	4,570,076	5,631,923	123.2	11,647,450	20,603,125	176.9
126,005,838	8,807,886	9,054,182	102.8	20,075,696	14,650,574	73.0
75,372,637	7,079,556	8,887,138	125.5	12,857,463	11,668,338	90.8
23,464,179	1,502,148	1,345,198	89.6	3,371,624	2,944,580	87.3
168,610,870	11,038,098	17,185,001	155.7	26,444,751	29,827,950	112.8
13,482,972	618,992	966,862	156.2	2,506,766	2,436,715	97.2
25,970,711	1,414,512	1,957,387	138.4	3,785,091	4,597,614	121.5
71,717,973	2,953,308	2,504,555	84.8	22,354,082	12,866,550	57.6
52,306,951	2,141,760	481,234	22.5	11,356,109	31,993,548	281.7
1,601,680	87,278	100,971	115.7	246,282	409,294	166.2
704,203	27,928	45,744	163.8	147,047	121,467	82.6
$831,238,395	$50,783,082	$56,942,142	112.1	$156,195,511	$164,132,279	105.1



Hail End. Risk	Hail End. Premium	Hail End. Loss	Hail End. L/P Ratio (%)	Total Premium	Total Loss	Total L/P Ratio (%)
$ 541,296,604	$ 26,245,576	$ 17,199,172	65.5	$ 92,944,680	$ 149,123,419	160.4
504,470,545	24,667,946	19,481,648	79.0	84,816,879	106,434,972	125.5
661,639,403	33,754,433	29,251,233	86.7	114,324,725	125,269,967	109.6
466,897,422	31,147,488	31,598,469	101.4	83,830,608	104,953,722	125.2
1,127,821,409	83,526,787	46,842,169	56.1	181,137,159	169,372,099	93.5
625,742,631	58,436,544	50,292,873	86.1	105,363,624	98,577,457	93.6
172,287,959	10,354,957	9,755,780	94.2	27,387,845	23,967,448	87.5
1,107,402,954	65,276,553	62,348,605	95.5	178,614,949	172,003,917	96.3
96,051,803	4,055,925	2,885,392	71.1	22,261,733	16,163,793	72.6
169,960,833	9,408,790	6,515,735	69.3	33,877,483	24,203,240	71.4
524,368,713	20,810,742	10,141,026	48.7	172,089,833	147,900,168	85.9
448,532,706	19,759,719	10,267,876	52.0	88,320,178	131,066,786	148.4
9,904,131	562,003	306,362	54.5	2,512,591	1,626,688	64.7
5,387,463	190,802	99,246	52.0	1,881,671	1,433,297	76.2
$6,461,764,576	$388,198,265	$296,985,586	76.5	$1,189,363,958	$1,272,096,973	107.0

Crop	First Year Insured	Premium**	Loss	L/P Ratio (%)
Spring Wheat	1965	$38,649,958	$47,053,739	121.7
Oats	1965	4,713,079	5,264,423	111.7
Barley	1965	22,218,399	18,779,661	84.5
Flax	1971	551,674	673,466	122.1
Fall Rye	1974	428,710	579,944	135.3
Canola	1969	21,802,510	16,682,248	76.5
Spring Rye	1975	35,474	96,080	270.8
Mustard	1975	767,033	590,073	76.9
Mixed Grain	1975	528,416	949,389	179.7
Winter Wheat	1975	426,131	336,162	78.9
Utility Wheat	1976	424,065	318,575	75.1
Durum Wheat	1980	11,580,518	12,442,790	107.4
Soft White Spring Wheat	1982	789,636	946,142	119.8
TOTAL		$102,915,603	$104,712,692	101.6

* Includes Pedigreed Seed Crops
** Includes Federal Contribution and Provincial High Risk Subsidies

Risk Area	Spring Wheat	Oats	Barley	Flax	Fall Rye	Spring Rye
1	376,483	28,680	417,452	759	5,866	0
2	325,966	12,256	152,948	11,958	13,920	1,202
3	375,615	7,842	70,892	13,065	9,467	228
4	440,994	65,545	156,567	6,163	4,223	793
5	602,016	50,618	602,413	4,707	17,074	0
6	76,288	39,609	526,152	252	1,162	0
7	53,051	35,418	148,651	25	170	0
8	875,710	133,014	525,950	7,499	4,049	1,294
9	36,817	22,061	81,564	120	120	36
10	49,854	41,899	177,677	.977	270	0
11	566,121	67,438	280,731	5,788	1,400	0
12	622,471	68,583	55,617	3,756	26,556	3,239
13	4,640	6,271	10,531	80	0	0
14	1,799	3,974	4,803	0	0	0
PROVINCE	4,407,825	583,208	3,211,948	55,149	84,277	6,792

* Includes Pedigreed Seed Acreage

Crop	Premium**	Loss	L./P Ratio(%)
Spring Wheat	$291,440,394	$369,510,859	126.8
Oats	36,246,345	38,015,643	104.9
Barley	217,966,318	255,745,859	117.3
Flax	4,944,181	6,577,114	133.0
Fall Rye	2,157,051	2,921,847	135.5
Canola	169,278,730	184,735,016	109.1
Spring Rye	352,795	550,153	155.9
Mustard	3,532,078	6,189,115	175.2
Mixed Grain	4,213,981	5,583,156	132.5
Winter Wheat	8,735,668	15,750,683	180.3
Utility Wheat	5,005,257	8,087,660	161.6
Durum Wheat	38,027,853	60,212,618	158.3
Soft White Spring Wheat	7,996,117	10,198,472	127.5
TOTAL	$789,896,768	$964,078,195	122.1

* Includes Pedigreed Seed Crops
** Includes Federal Contribution and Provincial High Risk Subsidies

Canola	Mustard	Mixed Grain	Winter Wheat	Utility Wheat	Durum Wheat	SWS Wheat	Total
43,895	19,115	4,302	27,241	2,911	96,336	1,289	1,024,329
41,897	21,927	1,910	14,192	5,053	250,280	22,323	875,832
22,674	12,024	718	2,259	5,094	287,735	73,603	881,216
163,869	3,875	8,033	768	1,410	12,285	0	864,525
238,194	7,287	11,613	2,248	7,091	20,983	75	1,564,319
127,852	0	8,283	425	7,197	0	0	787,220
37,747	40	1,844	130	1,175	0	0	278,251
584,711	0	8,395	110	1,198	2,846	0	2,144,776
62,232	0	1,356	0	525	0	0	204,831
50,322	0	1,896	10	3,949	0	0	326,854
385,432	0	297	669	6,092	0	0	1,313,968
32,727	6,531	12,470	5,642	732	149,870	4,991	993,185
2,556	0	228	0	380	0	0	24,685
4,181	0	0	30	0	0	0	14,787
1,798,289	70,799	61,345	53,724	42,807	820,335	102,281	11,298,779

Crop	Number Insured	Acres Insured	Basic Premium	Basic Risk	Basic Loss	Basic L/P Ratio (%)
Seed Peas	108	4,056	$ 57,985	$ 689,502	$ 36,146	62.3
Fababeans	–	450	5,306	29,254	483	9.1
Dry Beans	206	19,973	383,434	5,078,593	1,241,711	323.8
Lentils	–	2,163	27,511	175,003	73,156	265.9
Potatoes	47	8,701	272,479	6,918,179	104,963	38.5
Grain Corn	33	4,616	73,692	975,633	85,092	115.5
Ped. Alfalfa Seed	54	5,746	138,877	1,285,769	58,952	42.5
Alfalfa-Processing	273	64,109	257,302	1,877,109	9,321	3.6
Ped. Cr. R. Fescue	279	2,181	41,401	299,997	164,236	396.7
Field Peas	–	42,684	489,863	3,174,522	332,742	67.9
Sunflowers	31	1,305	15,218	217,368	26,098	171.5
Safflower	33	1,584	13,514	113,778	30,156	223.1
Sugar Beets	210	15,018	340,121	6,464,007	107,673	31.7
Fresh Vegetables	–	726	112,609	995,048	206,708	183.6
TOTALS		173,312	$2,229,312	$28,293,762	$2,477,437	111.1

Seed Peas, Dry Beans 1976-1989; Potatoes 1975-1989;
Sunflowers 1985-1989; Fresh Vegetables 1987-1989; Safflower 1988-1989;

Crop	Acres Insured	Basic Premium	Basic Risk	Basic Loss	Basic L/P Ratio (%)
Seed Peas	43,583	$ 589,728	$ 6,483,639	$ 257,504	43.7
Fababeans	1,019	12,183	63,860	1,817	14.9
Dry Beans	115,528	2,237,719	24,718,421	2,327,447	104.0
Lentils	14,987	199,197	1,195,041	308,296	154.8
Potatoes	72,558	2,196,341	45,690,286	2,162,407	98.5
Grain Corn	46,806	1,008,136	10,226,446	940,989	93.3
Ped. Alfalfa	21,961	477,297	4,864,935	279,738	58.6
Alfalfa-Processing	418,897	2,248,641	13,333,723	1,379,261	61.3
Ped. Cr. R. Fescue	8,854	136,471	1,038,711	241,323	176.8
Field Peas	109,989	1,259,808	7,811,093	1,069,369	84.9
Sunflowers	10,671	107,678	1,276,320	124,684	115.8
Safflower	5,656	40,506	332,917	123,389	304.6
Sugar Beets	50,047	1,134,891	21,868,430	563,040	49.6
Fresh Vegetables	3,563	295,786	2,384,616	320,115	108.2
TOTALS	924,119	$11,944,382	$141,288,438	$10,099,379	84.6

Crop	Number Insured	Acres Insured	Basic Premium	Basic Risk	Basic Loss	Basic L/P Ratio(%)
Peas	53	3,071	$165,532	$1,225,430	$128,993	77.9
Beans	9	570	26,821	207,428	37,638	140.3
Carrots	3	44	2,539	26,350	—	—
Corn	30	2,536	90,764	882,325	192,137	211.7
TOTALS	95	6,221	$285,656	$2,341,533	$358,768	125.6

Crop	Number Insured	Acres Insured	Basic Premium	Basic Risk	Basic Loss	Basic L/P Ratio(%)
Peas	1,416	80,325	$1,729,025	$16,739,461	$1,630,626	94.3
Beans	275	9,094	293,224	2,042,912	235,693	80.4
Carrots	35	357	32,553	239,891	8,830	27.1
Corn	322	35,634	876,769	7,634,367	908,650	103.6
TOTALS	2,248	125,410	$2,931,571	$26,656,631	$2,783,799	95.0

Hail End. No. Insured	Hail End. Premium	Hail End. Risk	Hail End. Loss	Hail End. L/P Ratio (%)	Total Premium	Total Loss	Total L/P Ratio (%)
54	$ 46,014	$ 652,501	$133,622	290.4	$ 103,999	$ 169,768	163.2
7	2,532	29,257	397	15.7	7,838	880	112.3
143	338,554	4,200,295	408,479	120.7	721,988	1,650,190	228.6
25	13,742	175,005	14,543	105.8	41,253	87,699	212.6
39	299,974	6,146,015	463,849	154.6	572,453	568,812	99.4
24	49,706	975,636	31,748	63.9	123,398	116,840	94.7
33	55,812	836,888	58,669	105.1	194,689	117,621	60.4
–	N/A	N/A	N/A	N/A	257,302	9,321	3.6
6	7,534	135,794	–	–	48,935	164,236	335.6
415	255,950	2,851,244	324,835	126.9	745,813	657,577	88.2
12	9,520	202,569	1,524	16.0	24,738	27,622	111.7
11	4,260	101,607	9,580	224.9	17,774	39,736	223.6
124	147,096	4,072,370	165,301	112.4	487,217	272,974	56.0
20	52,146	869,423	26,907	51.6	164,755	233,615	141.8
	$1,282,840	$21,248,604	$1,639,454	127.7	$3,512,152	$4,116,891	117.2

Grain Corn 1981-1989; PS Alfalfa, PS Fescue 1984-1989;
Fababeans, Lentils 1987-1989; Field Peas 1987-1989; Alfalfa for Processing 1982-1989

Hail End. Premium	Hail End. Risk	Hail End. Loss	Hail End. L/P Ratio (%)	Total Premium	Total Loss	Total L/P Ratio (%)
$ 397,955	$ 6,000,854	$ 555,487	139.6	$ 987,683	$ 812,991	82.3
5,002	63,863	2,067	41.3	17,185	3,884	22.6
1,215,544	16,849,261	991,002	81.5	3,453,263	3,318,449	96.1
83,722	1,095,426	63,848	76.3	282,919	372,144	131.5
2,175,484	39,705,045	1,701,199	78.2	4,371,825	3,863,606	88.4
576,155	9,821,517	265,382	46.1	1,584,291	1,206,371	76.1
186,345	3,180,932	83,230	44.7	663,642	362,968	54.7
N/A	N/A	N/A	N/A	2,248,641	1,379,261	61.3
32,108	604,561	4,913	15.3	168,579	246,236	146.1
624,096	7,009,567	662,502	106.2	1,883,904	1,731,871	91.9
64,923	1,206,293	35,700	55.0	172,601	160,384	92.9
13,692	303,101	9,580	70.0	54,198	132,969	245.3
486,194	10,489,377	371,460	76.4	1,621,085	934,500	57.6
155,746	2,257,192	88,962	57.1	451,532	409,077	90.6
$6,016,966	$98,586,989	$4,835,332	80.4	$17,961,348	$14,934,711	83.1

HAIL ENDORSEMENT NOT OFFERED FOR PROCESSING VEGETABLE CROPS

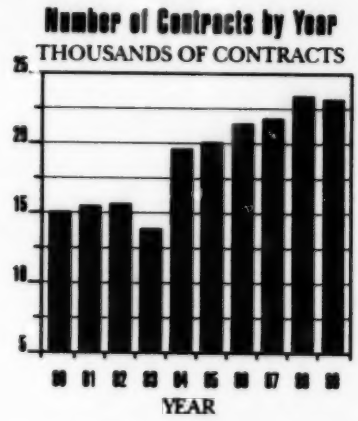
Year	No. of Insureds	Acres Insured '000	Total Risk '000
1965	1,312	250	$3,232
1966	4,408	991	13,460
1967	9,892	2,271	36,857
1968	15,763	3,910	63,950
1969	16,201	3,561	57,105
1970	12,856	2,306	31,941
1971	11,323	2,429	33,310
1972	10,202	2,314	37,073
1973	12,296	3,201	73,399
1974	13,883	3,838	125,863
1975	18,685	5,113	215,976
1976	18,580	5,343	229,289
1977	20,878	6,301	279,520
1978	19,258	5,908	259,967
1979	18,253	5,882	280,471
1980	18,862	6,640	381,048
1981	18,638	7,009	483,148
1982	18,323	7,204	547,384
1983	20,050	8,289	663,600
1984	21,939	9,292	760,839
1985	23,431	10,575	863,035
1986	24,994	11,166	825,200
1987	24,500	10,350	592,194
1988	26,445	11,370	685,529
1989	25,936	11,478	953,644
TOTAL	426,908	146,991	$8,497,034

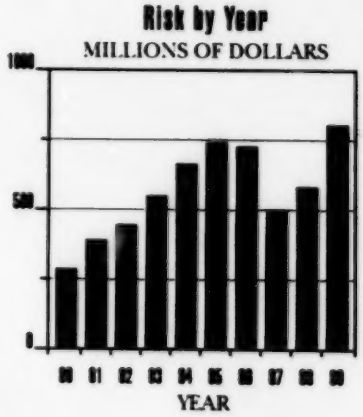
(Hail Endorsement available since 1973)

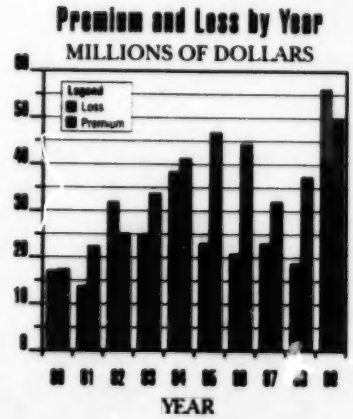
Premium			Loss			
Basic '000	Hail End. '000	Total '000	Basic '000	Hail End. '000	Total '000	L/P Ratio(%)
$291		$291	$48		$48	16.5
1,004		1,004	315		315	31.4
2,573		2,573	1,200		1,200	46.6
4,598		4,598	5,508		5,508	119.8
4,180		4,180	6,298		6,298	150.6
2,801		2,801	1,699		1,699	60.7
2,926		2,926	2,410		2,410	82.4
2,802		2,802	2,119		2,119	75.6
5,660	$2,330	7,990	5,671	$765	6,436	80.5
10,510	3,948	14,458	11,695	2,111	13,806	95.5
20,657	6,742	27,399	11,284	7,072	18,356	66.9
22,969	7,580	30,549	9,692	6,808	16,500	54.0
27,263	9,692	36,955	33,225	4,905	38,130	103.2
26,932	9,512	36,444	14,791	7,895	22,686	62.2
28,138	11,134	39,272	14,129	12,717	26,846	68.3
36,300	17,136	53,436	14,741	17,285	32,026	59.9
42,722	22,446	65,168	13,110	13,680	26,790	41.1
44,254	25,702	69,956	30,615	31,796	62,411	89.2
52,824	33,294	86,118	51,208	25,405	76,613	89.0
56,164	40,868	97,032	173,943	38,003	211,946	218.4
70,660	46,820	117,480	236,144	23,475	259,619	221.0
85,788	45,064	130,852	82,777	21,839	104,616	79.9
66,722	33,424	100,146	52,349	24,159	76,508	76.4
78,027	38,626	116,653	93,508	19,247	112,755	96.7
105,417	50,783	156,200	107,190	56,942	164,132	105.1
$802,182	$405,101	$1,207,283	$975,669	$314,104	$1,289,773	106.8

Crop*	Acres	Total Risk	Total Premium	Total Loss	L/R Ratio(%)	L/P Ratio(%)
Spring Wheat	3,789,579	$325,633,185	$16,607,728	$18,239,278	5.6	109.8
Oats	507,476	27,504,172	1,471,508	2,022,064	7.4	137.4
Barley	2,908,631	210,198,240	12,733,292	15,316,512	7.3	120.3
Flax	50,480	4,492,221	229,132	210,902	4.7	92.0
Fall Rye	73,733	3,308,868	172,512	342,917	10.4	198.8
Canola	1,593,789	142,701,970	13,622,380	15,721,585	11.0	115.4
Spring Rye	5,451	181,304	8,038	3,842	2.1	47.8
Mustard	65,620	4,715,130	378,348	304,808	6.5	80.5
Mixed Grain	55,331	3,364,285	205,316	2,517,570	7.5	122.5
Winter Wheat	51,182	3,119,076	139,566	67,480	2.2	48.3
Utility Wheat	38,694	3,603,094	202,716	170,303	4.7	84.0
Durum Wheat	702,418	62,387,347	2,780,618	1,941,119	3.1	69.8
SWS Wheat	101,312	18,780,865	949,088	710,308	3.8	74.8
TOTALS	$9,943,696	$809,989,757	$49,500,242	$57,568,688	6.8	111.7

* Includes Pedigreed Seed Totals



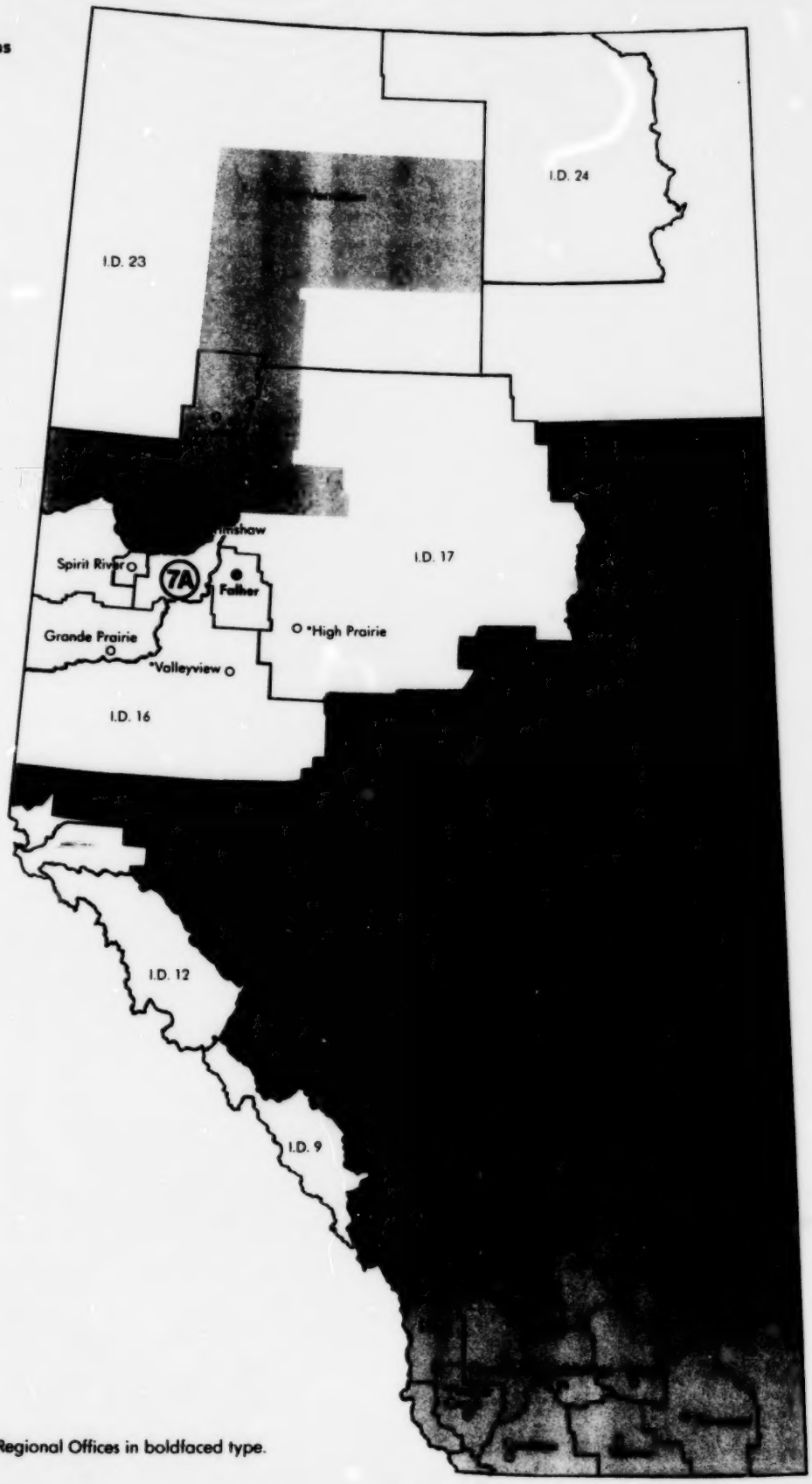




ALBERTA HAIL AND CROP INSURANCE CORPORATION

Supervisory Regions Showing Locations

Regional Office ●
District Office ○
Head Office ☆



① Cardston
Pincher Creek
Lethbridge
Warner
Foremost
Medicine Hat
Taber
Claresholm
Vulcan
Brooks

② High River
Strathmore
Calgary
Didsbury
Three Hills
Oyen
Hanna
Morrin

④ Stettler
Castor
Sedgewick
Red Deer
Lacombe
Ponoka
Wetaskiwin
Camrose

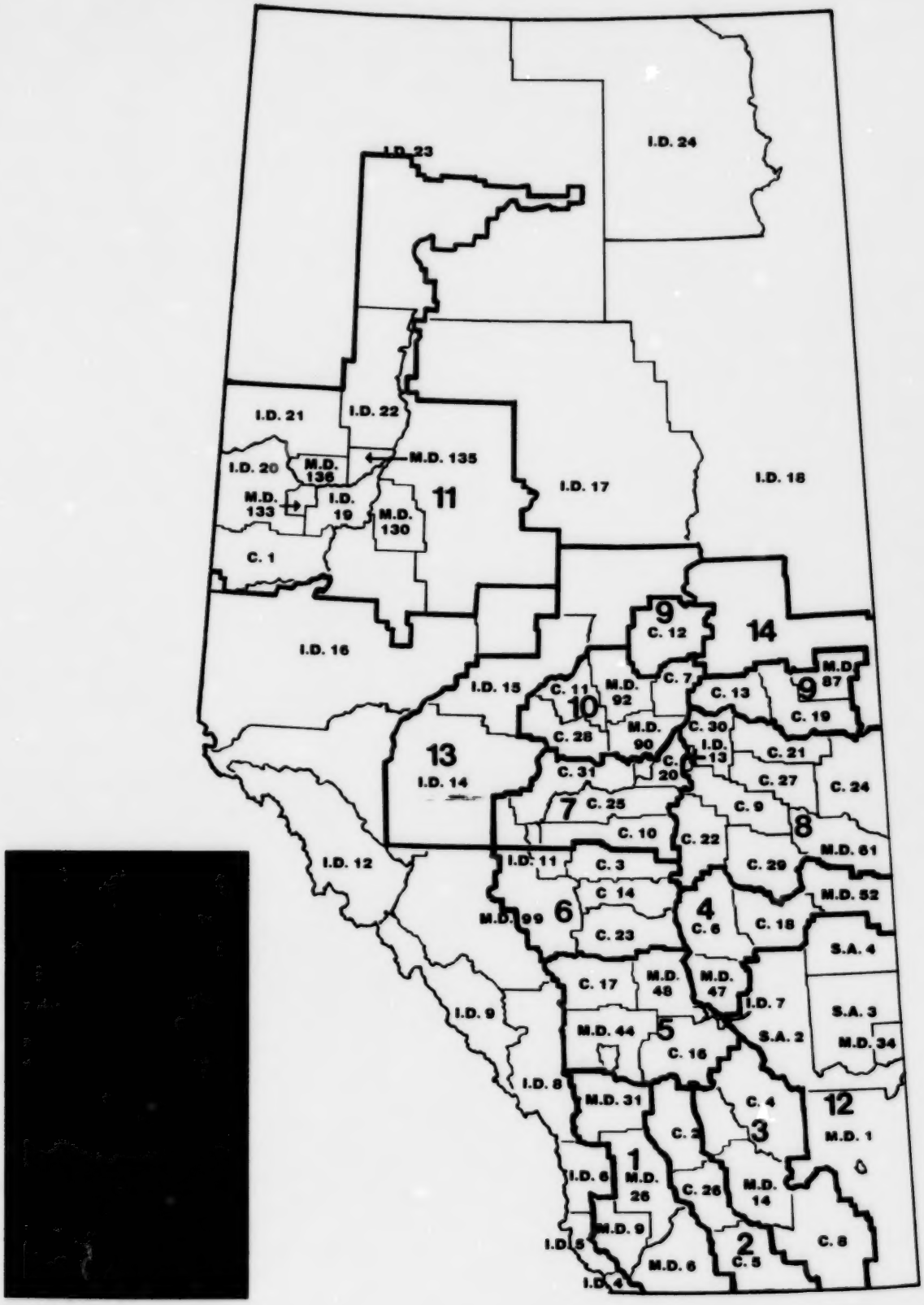
⑤ Ryley
Vegreville
Kitscoty
*St. Paul
Provost
Wainwright
*Bonnyville
*Smoky Lake
Two Hills
Lamont

⑥ Leduc
Thorhild
Morinville
*Stony Plain
Westlock
Barrhead
Sangudo
*Evansburg
Athabasca

7A **Falher**
Grande Prairie
Spirit River
*Valleyview
*High Prairie

7B **Fairview**
Grimshaw
Manning
*Fort Vermilion

*These offices open half-days only. Regional Offices in boldfaced type.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C. 11
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C. 7
C. 13
M.D. 87
9
C. 19
C. 28
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C. 30
I.D. 13
C. 21
13
I.D. 14
C. 31
C. 20
C. 27
C. 24
7
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C. 9
8
C. 10
C. 22
M.D. 61
I.D. 12
I.D. 11
C. 3
C. 29
C 14
M.D. 52
M.D. 99
6
4
C. 6
C. 18
C. 23
S.A. 4
C. 17
M.D. 48
M.D. 47
I.D. 7
S.A. 3
I.D. 9
M.D. 44
5
S.A. 2
M.D. 34
C. 16
I.D. 8
M.D. 31
C. 4
12
C. 2
3
M.D. 1
1
I.D. 6
M.D. 26
C. 26
M.D. 14
M.D. 9
I.D. 5
2
C. 8
M.D. 6
C. 5
I.D. 4